



Civilian Personnel Management System XXI

Building the Civilian Objective Force

Loyalty, Duty, Respect, Selfless-Service, Honor, Integrity, Personal Courage

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WHY CPMS XXI --- FOUR CRITICAL CHALLENGES

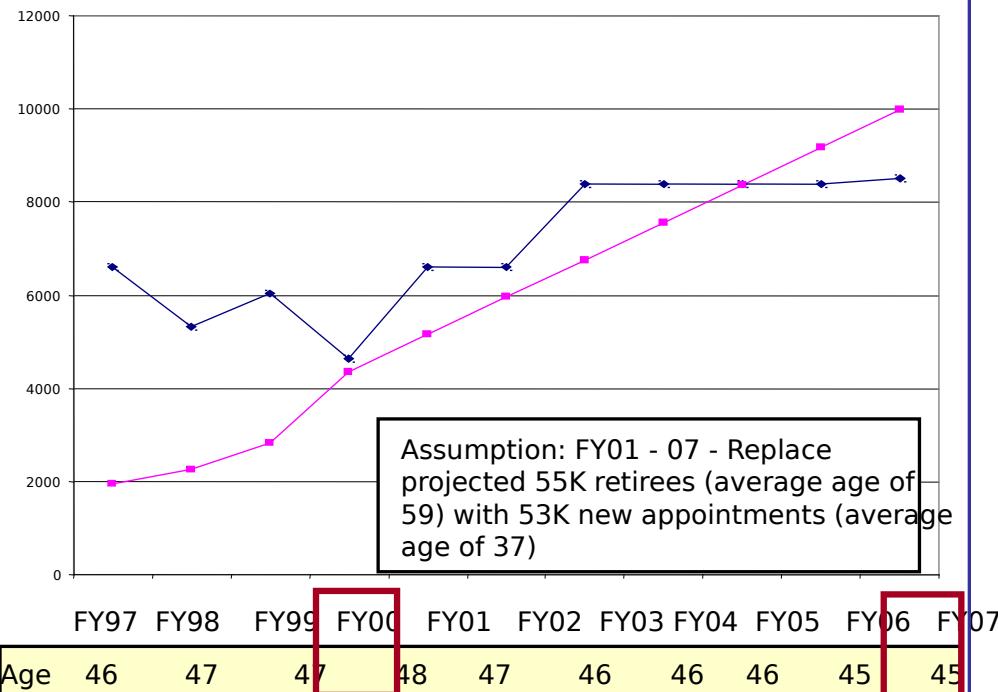
- The need for a civilian work force that can keep pace with a transformed Army.
- Replacement of the loss of expertise, skills, and knowledge as retirements increase.
- The effects of continued drawdown.
- Recognition of the changing values and outlook of next generations of civilian workers.



Aging Workforce



Median Ages of Projected Retirements & New Appointments



U.S. Direct Hire Appropriated Fund - Military Function

- Retirements
- New Appointments

Examining Age Trends Over Time

- During 80s growth period median age 40-42 (Hired 1.3 new appointments for every retiree)
- During 90s drawdown median age 43-48 (Hired 0.5 new appointments for every retiree)
- If by FY 07 hire 1 new appointment for every retirement, median age will drop from current 48 to 44 or less
- New appointment median age = 37-44
- Retirement median age = 59

Average age can be reduced by balancing new appointments to retirements



Growing Dissatisfaction with Current Personnel System

Chief of Staff of Army
March 17, 1999 to HAC, (D)
"We don't have a good system for right-sizing the civilian work force. This is creating a train wreck 10 years from now. We must figure out a way to shape the force so that we bring in interns and we get it shaped properly"

Senators Rudman & Hart
(February 2001)

"The maintenance of American power in the world depends on the quality of U.S. government personnel, civil and military, at all levels, and calls for significant changes in government HR systems and practices."

Price WaterhouseCoopers
Endowment for the Business of Government
(January 2001)

"Dramatic change is needed in the way the federal government recruits, retains, develops, and rewards its public servants. Currently view people as "costs" rather than "assets"

o the President: The Crisis in Human Capital
Senator Voinovich's Report
(December 2000)

Vice Chief of Staff of Army
1999
"The Civilian Personnel Program is broken and I can't fix it"

"Take quick action to address the coming federal workforce crisis. Make federal employment more attractive to today's fluid workforce. A strategy to confront the government's challenges in demographics and performance is needed, and should include comprehensive workforce plan, robust training, the right incentives, and performance measurement"

U.S. Air Force Civilian Personnel Management Improvement White Paper

"The current personnel system does not allow effective movement to a more agile work force capable of easily adjusting to the dynamic changes in the labor market"

Army's Civilian Personnel System

Antiquated Compensation System Dates to 1949
Complex Hiring Rules

Avg time to fill job = 60 days (GS-9 and above:
98 days)

Makes us less competitive against private sector

Defense Science Board
(February 2000 Report)

"The American public is increasingly less involved and less inclined to serve in the DoD. DoD does not have the authority and tools necessary to integrate the management of its human resources"

General Accounting Office (Testimony)
(February 2001)

"There is a need to define the kind of workforce needed in the coming years so that when the future arrives, the right employees - with the right skills, training, tools, structures, and performance incentives - will be on hand. Comprehensive legislative reform will be necessary"

The Heritage Foundation
(January 2001)

"While the private-sector employers compete with HR innovations to attract and retain a competent workforce, the federal government is stuck with a personnel system more attuned to expectations from the early 20th century. It suffers from a rigid, one-size-fits-all national pay scheme that under-compensates some and overpays many."

Department of Commerce
(June 2000)

"The need to broaden demonstration project authority to other organizations with the Department of Commerce that employ difference occupational groups to produce a different kind of work product. Band-Aide approach to implement change"

Under Sec of Defense
(Personnel & Readiness)
Dr. (Hon) David S.C. Chu

On the other hand, the civil service system has to be judged a failure in its ability to adjust to changing requirements and encourage the innovation and continuous improvement needed by the Department of Defense (DoD)

National Academy of Public Administration
(July 2000)

"Until more flexible, more merit based HR systems are available, it will continue to be difficult for the public sector to compete with the private sector for high-performing employ



Efforts to Reform

- Civil Service Reform Act of 1978 (CSRA)
- Federal Employees Pay Comparability Act (FEPCA) - 1990
- DoD Alternative Personnel System - 1998
- Similar efforts through OPM in 1999/2000
- Legislative Proposals In-Progress:
 - ➔ Hiring Flexibility to Manage Replacement of Aging Workforce
 - ➔ Repeal Classification Act of 1949/Establish Broad Pay Bands



Existing Pay and Hiring Systems Unresponsive

► Antiquated Classification System Dates to 1949

- Complex Hiring Rules Increase Fill Time
 - Avg fill time about 60 days (GS-9 and above: 98 days)
 - Makes us less competitive against private sector
- Reform Efforts Fail to Date
- Lead to Balkanization of Personnel System

Title 5 Exempt Employees

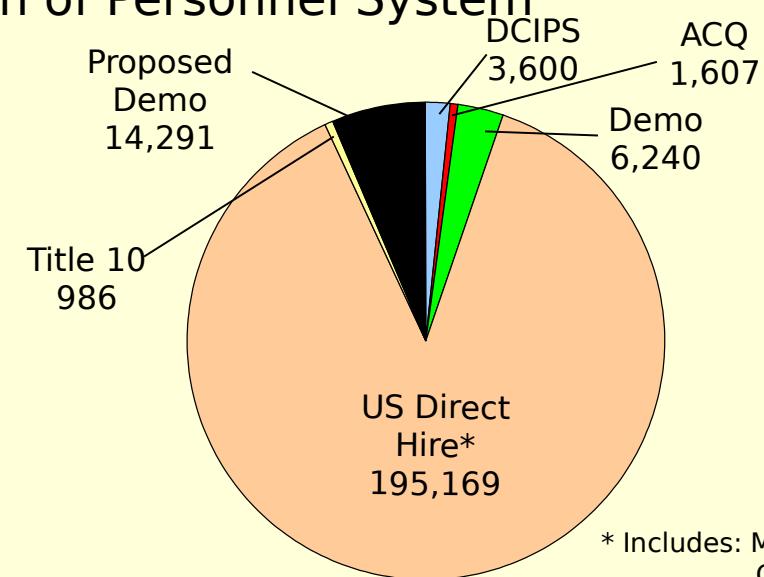
DCIPS = 3,600

Acquisition = 1,607

Demos = 6,240

Title 10 = 986

Proposed Demo = 14,291



* Includes: Military & Civilian Functions

“Balkanization of Civilian Personnel”



Title 5 - Exempt Organizations

CIA
State Dept
Natl Sec Agcy
Farm Svc Agcy
FAA
FDIC
Fed Res Bd

Foreign Agric Svc
Lib of Congress
Metro Wash Airport Auth
Nuclear Reg Comm
Fed Housing Ent Oversight
Ofc of Thrift Supv

Peace Corps
Sallie Mae
Smithsonian Inst
Tenn Valley Auth
USPS
Vet Health Admin

FEATURES:

On-the-spot hiring
Pay banding
Performance based

Simplified classification
Streamlined removal process
Expanded developmental opportunities

- More flexible, compatible & attractive than what Army has



Want to Work for Us?

PROs

CONS

- Internships
- Personal and career growth potential
- Flexible work schedules
- Job security
- Autonomy
- Strong work ethic
- “Cutting edge” technology
- Retirement/health benefits

- “Dinosaur” bureaucracy antithetical to personal and career growth
- Long hours and tedious work
- Lack of employee motivation
- Low pay
- Poor work environment
- System supports non-performers

FOCUS GROUPS AND LITERATURE SEARCH



THE LAND THAT TIME FORGOT....

All the dinosaurs are there

1. a monstrous classification system bred for a work force that hasn't existed for 50 years.
2. A performance appraisal process that rewards survival over all else.
3. A hiring system that moves at subglacial speed. It truly is the "Land That Time Forgot."





CPMS XXI

Targeting the Future to Support the “Transformed” Army

I - REFORM

➤ Legislation

- Obtain Hiring Flexibilities
- Relief from Classification Act of 1949/
- Establish Broad Pay Banding
- Identify Others

On-going Assessment

II - RELOOK WORKFORCE CONSTRUCT

Evaluate Alternatives

- Strategically manage
- More use of Temps/Terms
- Capture Technology
- Telecommuting

Civilian Objective Force



Legislative Reforms

Affected Sections, Title 5, U.S. Code

Recommended Reforms	Chapter 33 Examination, Selection, and Placement	Chapter 51 Classification	Chapter 53 Pay Rates & Systems
<i>Compensation Reforms:</i> Pay Banding		Section 5101 Section 5102	Subchapter III Subchapter VI
Competency-based Pay		"	"
Market-based Pay		"	"
Occupation Structure		Section 5105	
<i>Hiring Reforms:</i> 180-day Rule	Section 3326		
Rule of Three	Section 3318		
Veterans' Preference	Section 3318		



Transforming the Army Civilian Workforce

Opportunity – to transform the Army civilian workforce into a high-performing, competitive workforce to fully support the transformed Army of the future

